

MONTANA LEGISLATIVE HISTORY

Chapter 443 19 81

Bill H _____ S 466 Original bill & history C

H. Committee on Taxation

Hearing Date(s) Apr 07 ✓ C

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Date Out Apr 07 ✓ C

S. Committee on Taxation

Hearing Date(s) Feb 25 ✓ C

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*No minutes were found re
Senate action*

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

MINUTES OF THE MEETING OF THE TAXATION COMMITTEE

February 25, 1981

Page Four

Senator Goodover said in the new language spouse's were included as drivers using dealer plates. He didn't think that should be in there. Larry Huss felt that spouses would only use them occasionally or in the course of the business, if they were employed by the dealership. He didn't feel that records would be falsified so that other members of the family could take advantage of the law. Senator Towe thought a better distinction could be made between dealer and demonstrator plates. The hearing was closed on Senate Bill 466.

CONSIDERATION OF SENATE BILL 457:

"AN ACT TO ALLOW AN INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS TO A NONPROFIT CORPORATION, FUND, FOUNDATION, TRUST, OR ASSOCIATION ORGANIZE AND OPERATED EXCLUSIVELY FOR THE BENEFIT OF NONPROFIT INSTITUTIONS OF HIGHER LEARNING OR NONPROFIT PRIVATE INSTITUTIONS OF ELEMENTARY OR SECONDARY EDUCATION."

Senator Dover said this bill is to encourage support for private and non-profit organizations in schools and is a tax incentive bill that doesn't take a lot from any one individual. It could amount to quite a bit. It is a credit against the tax to help financing for these private institutions and for public institutions on a voluntary basis. A state institution has to be above twelvth grade; a private one has to be approved by the Board of Education. This bill gives an individual who might want to give some incentive to finance the same.

PROPONENTS:

Bob Korthuis, Association of Nonpublic Schools of Montana, and principal of Manhattan Christian School gave the testimony attached. (Attachment 2). He gave seven reasons for supporting the bill: 1) The bill would encourage pluralism in the American society; 2) the bill would not aid the institution but give aid directly to parents; 3) the bill guarantees freedom of religion, not from religion, means to keep state and church separate; 4) the system is unjust that forces me to have my child educated within the secular humanism framework--there is no such thing as a neutral position in education; 5) it does not take money out of public coffers for it wouldn't have been there to begin with; 6) a non-public school provides a considerable savings to the public; 7) the bill would encourage higher quality education among nonpublic schools as it requires school accreditation for qualification for the credits.

Sister Mary Editha Brown, representing the Catholic Schools of eastern Montana, gave the attached testimony. (Attachment 3).

is no way to be able to release a rollback tax lien once it has been paid. There were no proponents or opponents--questions from the committee were called for:

TOWE: We do not affect, in the repealer of the rollback, the taxes already paid; and there is some merit by which those people could get a lien release. The hearing was closed on SB 460.

CONSIDERATION OF SENATE BILL 466:

"AN ACT TO REVISE THE MOTOR VEHICLE DEALER LAWS BY CHANGING THE FEES: REVISING DISTRIBUTION OF DEALER PLATES: PROVIDING FOR DEMONSTRATOR PLATES AND USES; PROVIDING FOR RECREATIONAL VEHICLE DEALER LICENSING."

Senator Graham, District 29, said this attempts to figure out some new deal on dealer's plates. There has quite a lot of abuse in dealer plates, RV plates, auto, etc., Trying to figure out an equitable way to handle dealer abuse. There is a fiscal note with this bill. I have Jerry Roenig and Larry Huss here to deal further with the bill.

Testimony by Jerry Roenig, Montana Automobile Dealer's Association. The intent is to set up a new classification for RV dealers. They would be licensed separately from new car and truck dealers and provided a distinctive plate--this changes the system using "D" plates. The formula limiting the number of plates is on page 6, lines 3-10, and would allow the dealer enough for his operation. Plates would be issued from DMV and, if it has a sticker on it, it's o.k. This bill nails down who can use these. In addition to that, those dealers would obtain demonstrator plates at basically the cost they are now. Demonstrator plates would be used: a customer wants to drive another car without dealer plates for road resting, etc.,

Larry Huss, an attorney representing MADA, said there were corrections to the bill. He went through various amendments with the committee but said he would furnish the amendments in typewritten form at a later date.

Larry Majerus, Administrator of Motor Vehicle Division, said that the bill 1) sets aside RV dealers. Some people use this as a cheap way to get into the business of selling RV's. 2) Dealer vs. Demonstration plates. Some go with the demonstration permit instead of plate. Trying to tie sales in with the dealer plates. I support amendments to the bill. The fiscal note was prepared while Mr. Majerus was out of town, and he suggested that the amount of money raised would be much less than one-half of what stated. There were no opponents to the bill--questions were asked for.

CRIPPEN: Senator Crippen said he would appreciate amendments in a more readable form. He wondered how this would affect county coffers. Mr. Huss said that there is no effect on coffers because fees go to State Motor Vehicle Division.

NAYS: 1
2ND READING: 2/24, DO PASS
3RD READING: 2/25, YEAS: 49; NAYS: 0

TRANSMITTED TO HOUSE: 2/25
REFERRED TO COMMITTEE ON LOCAL GOVERNMENT: 3/3
HEARING: 3/19
REPORT: BE NOT CONCURRED IN, 3/20
REPORT: ADOPTED, 3/21
BILL KILLED: 3/21 YEAS: 81; NAYS: 9

SB 466 -- GRAHAM -- REVISING MOTOR VEHICLE LAWS BY CHANGING FEES, DEFENSE
LICENSING, ETC...

FISCAL NOTE: REQUIRED
INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION: 2/13
HEARING: 2/25
REPORT: 3/23, DO PASS AS AMENDED
2ND READING: 3/25, DO PASS
3RD READING: 3/27, YEAS: 50

TRANSMITTED TO HOUSE: 3/27
REFERRED TO COMMITTEE ON TAXATION: 3/30
HEARING: 4/7
REPORT: 4/7, BE CONCURRED IN
2ND READING: 4/9, YEAS: 83; NAYS: 1
ON MOTION, 4/9, RULES SUSPENDED, PLACED ON 3RD READING
3RD READING: 4/9, YEAS: 92; NAYS: 1

RETURNED TO SENATE: 4/9

TRANSMITTED TO GOVERNOR: 4/15/81
ACTION: 4/20, SIGNED
CHAPTER 443

SB 467 -- RYAN -- REESTABLISHING THE BOARD OF SPEECH PATHOLOGISTS AND
AUDIOLOGISTS.

INTRODUCED AND REFERRED TO COMMITTEE ON
ADMINISTRATION: 2/13
HEARING: 2/18
REPORT: 2/19, DO PASS
2ND READING: 2/23, DO PASS
3RD READING: 2/25, YEAS: 43; NAYS: 7

TRANSMITTED TO HOUSE: 2/25
REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 3/3
HEARING: 3/19
REPORT: 3/19, BE CONCURRED IN
ON MOTION, 3/24, PASSED FOR THE DAY.
2ND READING: 3/27, ON MOTION, PASSED FOR THE DAY.
2ND READING: 3/28, YEAS: 75; NAYS: 4
3RD READING: 3/31, YEAS: 94; NAYS: 5

RETURNED TO SENATE: 3/31

TRANSMITTED TO GOVERNOR: 4/8/81
ACTION: 4/10, SIGNED
CHAPTER 326

SB 468 -- TOWNE, CRIPPEN, M. ANDERSON, MAZUREK -- RAISING THE
JURISDICTIONAL AMOUNT IN CIVIL CASES IN JUSTICES' COURTS TO \$10,000

ROLL CALL

TAXATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 2/25/81

NAME	PRESENT	ABSENT	EXCUSED
Goodover, Pat M., Chairman	✓		
McCallum, George, Vice	✓		
Brown, Bob	✓		
Brown, Steve	✓		
Crippen, Bryce D.	✓		
Eck, Dorothy	✓		
Elliott, Roger H.	✓		
Hager, Tom	✓		
Healy, John E. "Jack"		✓	
Manley, John E.	✓		
Norman, Bill	✓		
Ochsner, J. Donald	✓		
Severson, Elmer D.	✓		
Towe, Thomas E.	✓		

Each day attach to minutes.

with the language in Section 1 of the bill, because P. 4, lines 2 - 7 had been amended to clarify this. He said he would be willing to address this and if there was a problem, to take care of it.

Rep. Williams wanted to know the reasoning behind the amendment to the bill to expand the definition on P. 4, lines 2 - 7. Sen. Kolstad said the Senate didn't want to exclude anyone as far as the credit was concerned. He said it had been necessary to be included in the bill according to their attorneys. In response to Rep. Underdal, he said that the bill covered incorporated farms.

Rep. Harp wanted to know if there was anything in Congress regarding accelerated depreciation, and Ms. Fallan said there was legislation for speeded up depreciation for business in general.

Rep. Bertelsen wanted to know if there was a possible \$13 million impact per year. Mr. Pyfer said that 25% of what the increase was would be the fiscal impact.

Sen. Kolstad then closed. The Fiscal Note indicated that possibly there could be a loss of \$5.4 million annually, plus \$2.6 million. This is what it is costing now and it is exactly what it should cost in addition if the bill is passed. What isn't taken into consideration is the additional tax revenue that would be generated. He submitted that there were some problems with the Fiscal Note. This bill will be a real help for small business in Montana.

SENATE BILL 466, sponsored by Sen. Carroll Graham, was then heard. This bill is meant to tighten the restrictions on the use of dealer auto license plates. He felt this bill would take care of the existing problems. Although it may not be the complete answer, it will cause dealer plates to be used as they were intended to be used.

Gerry Raunig, Montana Automobile Dealers Association, rose in support of the bill. At the end of the Legislature in 1979, the Senate Highway Committee wanted them to have a bill drafted for 1981 addressing the use and abuse of dealer plates and this bill was the result. He felt the bill was one everyone could live with.

The bill states: (1) a new classification for RV dealers is made, with separate plates; (2) the double barrel concept has

been designed for dealer plates, and demonstrator plates. As they forsee the system, the new dealer plates would be a limited edition. Any dealer could get enough to efficiently run a business. Use of demonstrator plates would be limited to no more than 72 hours. He submitted that they thought the system would work. In January of 1982, when the bill will go into effect, there will be three classes, and each will be a different color and it would be easy for law enforcement to decide who was abusing the privilege.

Larry Majerus, Administrator, Motor Vehicle Division, Dept. of Justice, then spoke up in support of the bill. The concept of dealer and demonstration plates is unique to Montana. Most States aren't satisfied with their present set-ups, however. This program can define things more clearly, especially in relation to law enforcement and the Justice Dept. The bill also clarifies the situation to the car dealers.

There were no OPPONENTS to the bill; questions were asked. Rep. Brand wanted to know if there was a limit to the number of demonstrator plates a dealer could get, and Mr. Raunig said there wasn't. However, the use of the plates is limited. Rep. Brand submitted that there should be a limit on these plates, also. Mr. Raunig said they didn't see a problem in this area.

Rep. Brand wanted to know what the abuses were which were being corrected and what abuses they still foresaw. Sen. Graham said there were a lot of cars being used by nondealers, but with dealer plates. Also, many auto dealers were using their "D" plates on RV's even though they weren't RV dealers. Also, wrecking yard owners who weren't demonstrating cars were taking advantage of the situation. As far as demonstrator plates being used by a nonauthorized person; as he understood the bill, the plates could only be used by employees.

Mr. Raunig then commented. This bill tightens up another loophole.

Larry Majerus clarified that the bill put a limit on the number of dealer plates. The demonstrator plates already had a limitation in the law.

Rep. Dozier wanted to know if there was a provision in the bill where a new dealer could get more than two sets of plates, and Mr. Raunig said that additional sets could be gotten upon showing a good cause that they were needed.

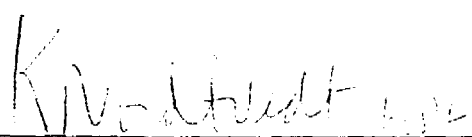
Sen. Graham then closed, and the hearing on SENATE BILL 466 was closed.

SENATE BILL 337, sponsored by Sen. Pat Regan, was then heard.

Control of the meeting was relinquished to Rep. Nordtvedt, and the Committee went into EXECUTIVE SESSION. Rep. Vinger moved that SENATE BILL 466 BE CONCURRED IN; motion carried unanimously.

Rep. Nordtvedt said he wanted a Committee bill drafted to allow the standard deduction to go up, as was provided for in HOUSE BILL 250. He moved that the Committee approve that a bill be drafted. It would go from 15 to 20% of adjusted gross income. The question was called for; motion carried unanimously.

The meeting was adjourned at 10:00 a.m.



Rep. Ken Nordtvedt - Chairman

da

VISITORS' REGISTER

HOUSE Taxation COMMITTEE

BILL 53 466

Date 4/7/81

SPONSOR Grain

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

STANDING COMMITTEE REPORT

April 7,

19 81

MR. SPEAKER

We, your committee on TAXATION

having had under consideration SENATE Bill No. 466

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE MOTOR VEHICLE DEALER LAWS BY CHANGING THE FEES; REVISING DISTRIBUTION OF DEALER PLATES; PROVIDING FOR DEMONSTRATOR PLATES AND USES; PROVIDING FOR RECREATIONAL VEHICLE DEALER LICENSING; AND AMENDING SECTIONS 61-4-101 THROUGH 61-4-103, MCA."

Respectfully report as follows: That SENATE Bill No. 466

BE CONSIDERED IN

DO-PASS